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OIL AND GAS DRILLING IN UTAH NOSEDIVES

Salt Lake City, Utah -- While 2008 was a record breaker for oil and gas activity in Utah, the economic downturn has sent many oil and gas operators to the bench. The Utah Division of Oil, Gas and Mining reports the rig count, an indicator of drilling activity, has dropped more than 50 percent since August 2008, when a record number of drilling rigs were in operation.

"The change shows the volatility of the industry and prices. The volatility is also a reaction to the overall economy," according to Gil Hunt, Associate Director for oil and gas. "Statistics show quite a turn-around, the January rig count being the lowest for Utah since December 2004."

Calendar year 2009 is likely to be in sharp contrast to a record breaking 2008. That year the number of producing wells was up 15 percent from 2007 and up 65 percent from five years ago. Oil production in 2008 increased about 10 percent, natural gas production was up about nine percent and as a result 2008 was the highest oil-producing year in Utah since 1993, and the highest natural gas producing year on record.

Hunt, working with other staff members, prepared a year-end report that provides an overview of activities within the Oil and Gas Program for 2008. The report shows Utah is ranked 13th in the country in crude oil production and 10th in natural gas production. The report also provides details on permitting, inspection and enforcement activities. That report can be viewed online at [https://fs.ogm.utah.gov/PUB/Oil&Gas/Outreach/Year in Review 2008.pdf](https://fs.ogm.utah.gov/PUB/Oil&Gas/Outreach/Year%20in%20Review%202008.pdf)

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